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C O N F I D E N T I A L SECTION 1 OF 4 BUCHAREST 1520

BRUSSELS FOR USEEC

E.O. 11652: XGDS-1
TAGS: ECON, EEWT, PGOV, RO
SUBJECT: MAJOR GOVERNMENTAL CHANGES: ANALYSIS

REF: A) BUCHAREST 1481, B) BUCHAREST 1483

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1. ICUMMARY AND INTRODUCTION. MAJOR GOVERNMENTAL
CHANGES (SEE REFTTEL A), WHICH ANNOUNCED ON MARCH 8,
IMPLEMENTED AT TIME WHEN ROMANIA HAS REACHED PERIOD
IN ITS ECONOMIC DEVELOPMENT WHEN RELIANCE ON EXTENSIVE
DEVELOPMENT APPARENTLY MUST GIVE WAY TO MORE INTENSIVE
DEVELOPMENT. NATURELY, THIS WILL CREATE MANY
TENSIONS AND STRESSES ON THIS JHSTE AND THE SOCIETY.

REVAMPING OF TOP ECONOMIC POLICY MAKING THE CONCURRENT CHANGES IN INTERNAL SECURITY AREA PLACES TRUSTED PARTY TYPES WITH CLOSE PERSONAL ALLEGIANCE TO CEAUSESCU IN KEY ROLES TO SUPERVISE CONTROLLED IMPLEMENTATION OF NEW ECONOMIC POLICY FOR ENTERPRISE MANAGEMENT WHICH RECENTLY ANNOUNCED BY CEAUSESCU (SEE REFTEL B NOTAL). THESE CHANGES ARE ALSO IN LINE WITH CEAUSESCU'S POLICY OF PLAYING MUSICAL CHOIRS WITH HIGH-LEVEL GOVERNMENT POSITIONS AT IRREGULAR INTERVALS, DIGNIFIED UNDER LABEL OF "ROTATION."

ECONOMIC SIDE:

2. THE WINNERS: FROM ANNOUNCED CHANGES, FOLLOWING HAVE AT FIRST GLANCE MOVED UP OR HAD THEIR POSITIONS STRENGTHENED:

A. GHEORGHE OPREA, AS FIRST DEPUTY PRIME MINISTER, HAS MOVED A NOTCH ABOVE COMPETITION (NAMELY, DPM ION PATAN) AS PRINCIPAL GOR ADVISER TO CEAUSESCU ON THE ECONOMY. OPREA IS CONSIDERED TO BE AMBITIOUS BUT SYCOPHANTIC. HE PREVIOUSLY RESPONSIBLE FOR METALLURGY AND MACHINE BUILDING MINISTRIES, BOTH OF WHICH HAVE DEVELOPED AT RAPID RATES DESPITE CRITICISM FOR INEFFICIENT PRODUCTION METHODS. MEANWHILE, REGARDING ESTABLISHMENT OF NEW FIRST DEPUTY PRIME MINISTER POSITION, PRIME MINISTER MANEA MANESCU IS IN CHRONIC POOR HEALTH, AND EVIDENTLY CANCELED HIS SCHEDULED CONFIDENTIAL

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TRIP TO SYRIA BECAUSE OF ILLNESS; ESTABLISHMENT OF TWO FIRST DEPUTY PRIME MINISTER POSITIONS WILL HELP TO TAKE SOME OF THE BURDEN OFF OF MANESCU ON LONG-TERM BASIS, POSSIBLY ON BREZHNEV-KUZNETSOV MODEL.

B. PAUL NICULESCU HAS NOW BEEN FULLY REHABILITATED WITH HIS SWITCH FROM THE MINISTRY OF EDUCATION TO FINANCE (ALTHOUGH HE HAS NO ECONOMIC BACKGROUND) AND NEW MEMBERSHIP IN THE PERMANENT BUREAU OF THE POLITICAL EXECUTIVE COMMITTEE. NICULESCU, WHO THROUGHOUT HIS CAREER HAS BEEN A PARTY ACTIVIST, WAS ONCE THE GOVERNMENT'S CHIEF IDEOLOGUE.

C. VASILE MARIN, WHO HAS STRONG AGRICULTURAL BACKGROUND, SHOULD LEND STRENGTH TO HIS NEW POSITION AS CHAIRMAN OF THE NATIONAL UNION OF AGRICULTURAL PRODUCTION COOPERATIVES, WHERE HE REPLACES CONSTANTIN

DASCULESCU, WHO HAD NO AGRICULTURAL BACKGROUND. REMOVAL OF DASCULESCU FROM THIS POSITION WAS APPARENTLY SOUGHT BY DPM AND MINISTER OF AGRICULTURE MICULESCU.

D. GHEORGHE CIORA, WHO WAS CONFIRMED AS MINISTER OF CONSTRUCTION INDUSTRY, HAD BEEN MINISTER OF FOREIGN

TRADE FROM 1965 TO 1969, AND FORMER "MAYOR" OF
BUCHAREST.

3. THE LOSERS: THE FOLLOWING APPEAR TO HAVE BEEN CLEARCUT
LOSERS IN THE SHAKEUP:

A. MIHAI MARINESCU, WHO LOST POSITION AS DEPUTY
PRIME MINISTER AND CHAIRMAN OF STATE PLANNING COM-
MITTEE, HAS NOW MOVED OVER TO POSITION OF FIRST VICE
CHAIRMAN OF THE COUNCIL ON ECONOMIC AND SOCIAL
ORGANIZATION WHICH SHOULD BE HIS NEXT STEP ON HIS
WAY TO OBLIVION.

B. FLOREA DUMITRESCU HAS BEEN SUFFERING FROM
SERIOUS KIDNEY PROBLEMS WHICH HAVE BEEN SLOW TO
RESPOND TO TREATMENT SINCE FALL 1977. HIS DEPARTURE
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HAD BEEN EXPECTED.

C. MAXIM BERGHIANU, WHO WAS REMOVED AS MINISTER
OF TECHNICAL MATERIALS SUPPLY AND CONTROL OF FIXED
ASSETS, WHICH IS RESPONSIBLE FOR LIMITING THE USAGE
OF MATERIALS NEEDED BY VARIOUS PRODUCING MINISTRIES
OVERSEEING ENERGY AND FUEL CONSERVATION AND IN
ELIMINATING DISTRIBUTION BOTTLENECKS IN THE ECONOMY
(AN ALMOST IMPOSSIBLE TASK), HAS PROBABLY NOW SEEN
HIS CAREER COME TO AN END.

4. LATERAL MOVES:

A. ION PATAN: PATAN, WHOM WE HAVE CATEGORIZED AS
FOREMOST GOR ADVOCATE OF CLOSER ECONOMIC TRADE
RELATIONS WITH U.S., IN BECOMING MINISTER OF TECHNICAL

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C O N F I D E N T I A L SECTION 2 OF 4 BUCHAREST 1520

MATERIALS SUPPLY AND CONTROL OF FIXED ASSETS, HAS TAKEN
ON THE HOT SEAT IN THE GOVERNMENT, WHICH WE WOULD PUT IN
ALMOST SAME CLASS AS POSITION OF MINISTER OF AGRI-
CULTURE IN THE USSR. PATAN HAD MANY SUCCESSES IN HIS
REIGN AS MINISTER OF FOREIGN TRADE, NAMELY IN DEVELOPING
EXPANDED TRADE AND ECONOMIC RELATIONS WITH THE U.S.,
PRC, AND MANY OF THE THIRD WORLD COUNTRIES. HIS
MINISTRY HAD, HOWEVER, BEEN CRITICIZED RECENTLY
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FOR THE INABILITY OF ROMANIAN EXPORTS, PRIMARILY
HARD CURRENCY EXPORTS, TO INCREASE AT THE LEVEL
DESIRED BY THE GOR. PROBABLY JUST AS RELATED TO PATAN'S
SHIFT WERE APPARENT CLASHES BETWEEN PATAN AND THE
MORE AMBITIOUS OPREA ON NUMEROUS OCCASIONS. PATAN
HAD PROVEN TO BE FLEXIBLE AND PROGOMATIC PERSON IN
HIS CONTACTS WITH US AND U.S. COMPANIES, AND
WE ARE SORRY TO SEE HIM GO. HE NOW HAS A VERY
DIFFICULT TASK TO PERFORM, AS LONG AS THE GOR CON-
TINUES TO EMPHASIZE INCREASED PRODUCTION AT THE
EXPENSE OF ECONOMIC EFFICIENCY. CEAUSESCU'S NEW
ECONOMIC POLICY FOR ENTERPRISE MANAGEMENT WILL
COMPLICATE PATAN'S NEW TASK EVEN FURTHER.

B. CORNEL BURTICA, IN LOSING HIS POSITION AS
PARTY SECRETARY RESPONSIBLE FOR PRESS AND PROPAGANDA
AND RETURNING TO MFT AS PATAN'S REPLACEMENT AFTER
HAVING PREVIOUSLY BEEN REPLACED BY PATAN AS MINISTER
IN 1972, HAS SUPERFICIALLY TAKEN A STEP DOWN.

ALLEGED TO BE A COUSIN OF CEAUSESCU AND ALSO RELATED BY MARRIAGE TO ELENA, BURTICA REPRESENTS TIGHTER PERSONAL CONTROL OF MFT FOR CEAUSESCU. IT IS NOTEWORTHY THAT WHEN BURTICA WAS FIRST NAMED MINISTER OF FOREIGN TRADE IN 1969, IT ALSO OCCURRED AT A TIME WHEN THERE WERE BASIC CHANGES BEING IMPLEMENTED IN THE ECONOMY. BURTICA HAS REPUTATION AS BEING INFLEXIBLE AND DOGMATIC. HE IS NO STRANGER TO U.S.-ROMANIAN ECONOMIC AND TRADE RELATIONS AS HE SERVED AS CHAIRMAN ON THE ROMANIAN SIDE OF THE FIRST SESSION OF THE U.S.-ROMANIAN ECONOMIC COMMISSION. ACCORDING TO ITALIAN EMBASSY ECONOMIC COUNSELOR, BURTICA ALLEGEDLY WAS A STUDENT OF CIORA (NEW MINISTER OF CONSTRUCTION INDUSTRY) AND INFLUENCED BURTICA IN LATTER'S INPUT INTO DRAFTING OF NEW
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ECONOMIC ORDER PROGRAM IN 1960'S.

C. RICHARD WINTER, PATAN'S NEW DEPUTY AS MINISTER SECRETARY STATEHBO TECHNICAL MATERIALS SUPPLY AND CONTROL OF FIXED ASSETS, HAS IN PAST, AS A GERMAN NATIONAL, BEEN ASSOCIATED POLITICALLY WITH THE GERMAN MINORITY QUESTION. HIS MOVE TO BUCHAREST FROM SIBIU PUTS THIS TALENTED INDIVIDUAL UNDER CLOSER SCRUTINY. SINCE WE KNOW HE IS RETICENT ABOUT GERMAN EMIGRATION, AND THAT CEAUSESCU SECURITY ADVISOR DOICARU WAS PERSONALLY INVOLVED IN IMPLEMENTATION OF MAJOR EXPANSION THIS YEAR FROM POST OF FIRST DEPUTY INTERIOR MINISHR HE HAS NOW LOST, WINTER'S ARRIVAL IN BUCHAREST AND DOICARU'S EXPULSION FROM INTERIOR MAY BE RELATED IN SOME UNEXPLAINED WAY TO DEVELOPMENT OF THIS FACET OF ROMANIAN MINORITIES POLICY.

D. CONSTANTIN DASCULESCU SHIFT TO CHAIRMAN OF COUNCIL ON ECONOMIC AND SOCIAL EDUCATION MAY BE A STEP UP FOR HIM. WE HAVE LITTLE INSIGHT INTO WHAT ROLE THE COUNCIL HAS PLAYED TO PRESENT; HOWEVER, GIVEN CEAUSESCU'S PUSH ON INCREASED WORKER PARTICIPATION AND INCREASED EFFICIENCY IN THE ECONOMY, DASCULESCU COULD CONCEIVABLY HAVE AN IMPORTANT ROLE TO PLAY. DASCULESCU DOES NOT APPEAR TO HAVE STRONG ECONOMIC BACKGROUND.

THE SECURITY/IDEOLOGY SIDE

5. ALTHOUGH ILIE VERDET GIVES UP HIS CC SECRETARY POST, HE IS A CLEAR WINNER IN THE RESHUFFLE, FIRST BECAUSE HE HAS NOT BEEN SACRIFICED FOR HIS MORE OR LESS INGLORIOUS INVOLVEMENT IN JIU VALLEY AND HUNGARIAN UNREST (HE WAS ONE OFSIRALY'S ADDRESSES), SECOND BECAUSE HIS ELEVATION TO ONE OF THE TWO NEW OFFICES OF FIRST DEPUTY PREMIER (TOGETHER WITH BURTICA'S TRANSFER) AFFIRMS HIS ROLE AS

THE DOMINANT PERSONALITY IN THE SPHERE OF IDEOLOGY, AND
THE INCREASING INFLUENCE OF THIS BASICALLY PARTY FUNCTION
IN GOVERNMENT OPERATIONS. IN EFFECT CEAUSESCU HAS
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GIVEN MANESCU AN ASSISTANT PREMIER FOR ECONOMICS--OPREA--
AND ONE FOR POLITICS--VERDET.

6. CAZACU'S RECALL FROM HIS POST IN BELGRADE TO BE BOTH
PARTY SECRETARY AND OPM BRINGS BACK A MAN WHO IS NOT
LACKING IN ADMINISTRATIVE EXPERIENCE (FIRST SECRETARY OF
THE IASI REGION IN THE EARLY 1960S) BUT WHOSE FORTE HAS
BEEN IDEOLOGY. HE HAS BEEN PRESIDENT OF ROMANIAN RADIO
AND TV, SECRETARY FOR CULTURAL AFFAIRS AND MUNICIPAL
COUNCIL MEMBER IN BUCHAREST AND FIRST DEPUTY MINISTER
OF EDUCATION. CLEARLY AN ELEVATION, HIS NEW ROLE WOULD
APPEAR INTENDED TO COMPLEMENT THAT OF VERDET.

7. DOICARU'S TRANSFER FROM INTERIOR TO TOURISM, THOUGH
FORMALLY A PROMOTION TO MINISTER, IS A DEMOTION IN
POLITICAL TERMS. A PROFESSIONAL SECURITY OFFICER OF
MORE THAN TWENTY YEARS EXPERIENCE, HE HAS BEEN ONE OF

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THE PRESIDENTIAL COUNSELORS (NO MENTION WAS MADE OF THIS CAPACITY IN THE PUBLIC ANNOUNCEMENT) AND WAS BELIEVED TO HAVE ENJOYED AN UNUSUAL DEGREE OF PRESIDENTIAL CONFIDENCE. HIS REMOVAL WOULD SEEM MOST DIRECTLY TO BE A REFLECTION OF CEAUSESCU'S DISSATISFACTION WITH THE FAILURE OF THE SECURITY SERVICES TO DETECT AND CONTAIN UNREST AMONG THE MINERS IN THE JIU VALLEY, WITH LESSER MANIFESTATIONS OF DISCONTENT IN SEVERAL INDUSTRIAL PLANTS, CONFIDENTIAL

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OR POSSIBLY, ALSO WITH GERMAN EMIGRATION AS NOTED ABOVE, AND MAGYAR MINISTRY ISSUES. THE RECENT ACTIVITIES OF KAROLY KIRALY AND ITS RAMIFICATIONS MAY BE RELEVANT IN THIS REGARD. HOWEVER, DOICARU'S EXPERIENCE WILL NOT BE ENTIRELY WASTED IN HIS NEW POST AS MINISTER OF TOURISM. THE GOR'S APPROACH TO FOREIGN TOURISM HAS BEEN DOMINATED SINCE 1974 BY SECURITY CONSIDERATIONS, ESPECIALLY THE DESIRE TO QUARANTINE THE ROMANIAN POPULATION FROM EXPOSURE TO FOREIGNERS. THE GOR'S EFFORT TO PROMOTE PACKAGED, GROUP TOURS (A LA USSR) IN LIEU OF INDIVIDUAL TOURISM HAS MET WITH LITTLE SUCCESS. IN ADDITION TO THE SECURITY ASPECTS, DOICARU MAY ALSO BE EXPECTED TO IMPROVE ON THE MISMANAGEMENT AND UNRELIABILITY THAT HAVE CHARACTERIZED ROMANIAN TOURIST ENTREPRENEURSHIP AND LED TO THE CANCELLATION LAST SUMMER OF MOST OF THE TOUR ARRANGMENTS WITH FRG AGENCIES.

8. WHILE IT IS NOT CLEAR WHETHER NEITHER TUDOR POSTELNICU, WHO IS DOICARU'S SUCCESSOR IN THE NEW POSITION OF STATE SECRETARY THAT REPLACES THE FIRST DEPUTY MINISTER'S SLOT (ONE OF TWO) OCCUPIED BY DOICARU AND ALSO WILL HEAD THE NEW STATE SECURITY SERVICE, NOR ION SAVU, WHO WILL BE THE FOURTH DEPUTY MINISTER, HAVE STRONG SECURITY BACK- GROUND OR EXPERIENCE, BUT THEY WELL MAY. WE DO NOT KNOW THEIR EXACT AGES, BUT BOTH WOULD APPEAR TO BE YOUNGER MEN IN THEIR FORTIES AND, PRESUMABLY, AT THIS POINT, ON THEIR WAY UP. POSTELNICU WAS A MEMBER OF THE

UTM (UTC) COUNCIL IN THE MID-SIXTIES AND HAD BEEN IN BUZAU JUDET AS A SECRETARY AND THEN AS FIRST SECRETARY SINCE 1974. SAVU ROSE THROUGH THE PARTY HEIRARCHY OF BUCHAREST CITY TO BECOME FIRST DEPUTY SECTION CHIEF FOR NATIONAL CADRE UNDER GHEORGHE PANA IN 1973. BOTH MEN WOULD HAVE TO BE CONSIDERED LOYAL PARTY ACTIVISTS RATHER THAN SPECIALISTS, AND THEIR APPOINTMENTS FIT THE RECENT CONFIDENTIAL

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PATTERN OF PLACING PARTY LOYALISTS IN POSITIONS OF OVER-SIGHT IN NUMEROUS FIELDS. PRESUMABLY CEAUSESCU IS COUNTING ON IMPROVED RESPONSIVENESS TO PARTY CONSIDERATIONS FROM THE SECURITY APPARATUS.

9. A CLEAR LOSER, HOWEVER, IS ION STANESCU, WHO WAS REMOVED AS PARTY SECRETARY RESPONSIBLE FOR SECURITY AND AS DEPUTY PREMIER. HIS BACKGROUND, LIKE DOICARU'S, HAD BEEN IN SECURITY AND HIS REMOVAL BARELY ONE YEAR AFTER HAVING BEEN BROUGHT BACK INTO THE CENTRAL PARTY/STATE STRUCTURE FROM DIMBOVITA JUDET MUST LIKEWISE BE RECKONED A SEVERE REPRIMAND FROM CEAUSESCU. HIS CAREER HAD SUFFERED A PREVIOUS SETBACK IN 1973 WHEN HE WAS DISMISSED AS MINISTER OF THE INTERIOR, A POSITION HE HAD HELD FOR A YEAR AFTER THE COUNCIL FOR STATE SECURITY THAT HE HAD HEADED WAS MERGED WITH THE MINISTRY. PERHAPS HIS SECURITY EXPERIENCE WILL ALSO BE OF USE IN THE NEWLY CREATED POSITION OF STATE SECRETARY IN THE MINISTRY OF INDUSTRIAL CONSTRUCTION, WHERE HIS PRINCIPAL FUNCTION MAY BE TO GUARD AGAINST FUTURE WORKER DEMONSTRATIONS.

10. ION COSMA, ONE OF THE LAST GHEORGHU-DEJ HOLDOVERS, WAS NOT EVEN MENTIONED IN THE NEWSPAPER ANNOUNCEMENTS OF THE GOVERNMENT CHANGES AND APPARENTLY HAS GONE INTO ECLIPSE. HE HAD BEEN UNDER A CLOUD AS MINISTER OF TOURISM SINCE LAST SUMMER'S DEMONSTRATIONS BY RESENTFUL ROMANIAN TOURISTS AT THE BLACK SEA RESORT OF NEPTUNE. HE HAS BEEN KNOWN TO COMPLAIN THAT TOURISM HAD NO PRIORITY AND MAY NOT HAVE BEEN FULLY SYMPATHETIC TO THE CURRENT GOR APPROACH TO TOURISM.

11. EMIL DRAGANESCU, WHO HAD A REPUTATION FOR BEING TOUGH AND CAPABLE, SUFFERED A HEART ATTACK TWO YEARS AGO FROM WHICH HE HAS APPARENTLY NOT FULLY RECOVERED, AND HIS REMOVAL AS DEPUTY PREMIER SHOULD BE VIEWED PRIMARILY IN THE LIGHT OF IMPAIRED EFFICIENCY RATHER THAN A REFLECTION OF OFFICIAL DISFAVOR. IN FACT, THE CREATION OF THE POSITION OF MINISTER OF SPORT SEEMS DESIGNED SPECIFICALLY TO PROVIDE HIM A POSI-CONFIDENTIAL

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TION THAT KEEPS HIM OFFICIALLY A MEMBER OF THE GOVERNMENT, WHICH HE WOULD NO LONGER HAVE BEEN SOLELY AS CHAIRMAN OF THE NATIONAL COUNCIL FOR PHYSICAL EDUCATION AND SPORTS. AS A FORMER RUGBY PLAYER AND FORMER HEAD OF THE ROMANIAN RUGBY FEDERATION, AS WELL AS ONCE PREVIOUSLY HAVING HEADED THE NATIONAL COUNCIL, HE WOULD SEEM WELL SUITED FOR HIS NEW POST. HIS APPOINTMENT, IN THE CONTEXT OF HIS IMPAIRED HEALTH, WOULD APPEAR TO BE A VOTE OF CONFIDENCE, FOR ROMANIA'S POOR SHOWINGS THE PAST YEAR IN SOCCER AND RUGBY, ITS LOSS OF THE MEN'S (WORLD?) TITLE IN HANDBALL AND AN INCREASE IN DEFECTIONS ABROAD AMONG ROMANIAN ATHLETES MAKE THE FIELD OF SPORTS ANOTHER AREA IN WHICH CEAUSESCU OBVIOUSLY DESIRES CONSIDERABLE TIGHTENING UP.

12. FINALLY, ILIE RADULESCU'S REMOVAL AS FIRST SECRETARY OF HUNEDOARA JUDET PRESUMABLY REFLECTS SOME OFFICIAL DISPLEASURE WITH HIS PERFORMANCE THERE IN CONNECTION WITH THE JIU VALLEY UNREST. ON THE OTHER HAND, IT WOULD NOT APPEAR TO BE A SEVERE CENSURE. THE POSITION OF STATE SECRETARY IN THE MINISTRY OF EXTERNAL AFFAIRS, JUST BELOW THE AILING MACOVESCU, IS A NEW ONE, AND SELECTION OF RADULESCU (WHOSE BACKGROUND IS IN PROPAGANDA AND PARTY AFFAIRS) FOR THIS POSITION AGAIN APPEARS TO FIT THE PATTERN OF PLACING RELIABLE PARTY OPERATIVES IN POSITIONS OF OVERSIGHT IN ALL GOVERNMENT ORGANIZATIONS.

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13. SUMMARY COMMENT: THERE IS A GENERAL IMPRESSION IN BUCHAREST THAT FURTHER HIGH-LEVEL CHANGES ARE STILL OUTSTANDING, AND, AS IN MANY POLITICAL SYSTEMS, SHIFTS AT THE TOP WILL PRODUCE SHIFTS AMONG THE CLIENTELES BELOW. IT WILL THEREFORE BE SOME TIME BEFORE THE CONSEQUENCES, FOR BOTH POLICY AND PRACTICE, BECOME CLEAR. FURTHER, SINCE ALL THE FACES ARE OLD, THERE ARE AMPLE GROUNDS FOR CYNICISM AMONG ROMANIANS AND SKEPTICISM AMONG ANALYSTS AS TO WHETHER CONSEQUENCES WILL BE AT ALL PROFOUND OR STRIKING.
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14. NEVERTHELESS, EVEN BEFORE SHIFTS WERE ANNOUNCED IT WAS CLEAR THAT ROMANIANS FROM CEAUSESCU DOWN KNOW THEY ARE AT SOME KIND OF ECONOMIC CROSSROADS, THAT THEY TAKE WORKERS, UNREST AND DANGER OF MAYGAR MINORITY UNREST SERIOUSLY, AND THAT THEY SEE UNREST OF ANY KIND FIRST OF ALL FROM SECURITY ANGLE. SHIFTS ANNOUNCED SO FAR TEND TO CONFIRM THAT THESE ARE MAJOR DOMESTIC PREOCCUPATIONS OF THE HOUR. MAIN DIRECTION OF MANEUVER WOULD SEEM PARADOXICAL IN ANY BUT A COMMUNIST SYSTEM: TO REINFORCE GOVERNMENT BY LEAVENING IT WITH PROVEN CEAUSESCU CONFIDANTS FROM PARTY APPARATUS. WHATEVER OUTCOME OF ECONOMIC REARRANGEMENTS GERMINATING SINCE TURN OF THE YEAR, CEAUSESCU HAS AT LEAST DEMONSTRATED THAT HE IS IN EARNEST, AND INTENDS TO INTRODUCE MAJOR CHANGES IN MANY ECONOMY FUNCTIONS. CONCURRENTLY, BUT ALSO MORE MYSTERIOUSLY, HE HAS DEMOTED OR EXPELLED HIS TWO TOP SECURITY ADVISORS, DOICARU AND STANESCU; INSTITUTED A NEW DIRECTORATE, FOR WHAT IS RATHER OMINOUSLY CALLED "STATE SECURITY," IN THE INTERIOR MINISTRY; AND PUT MEN WITH SECURITY EXPERIENCE IN IMPORTANT MINISTRIES (ON THE MODEL OF MINING, WHERE MINISTER BABALAU WAS CHOSEN EARLIER THIS YEAR AS SCAPEGOAT FOR JIU VALLEY UNREST AND REPLACED BY A MAN WITH EXTENSIVE SECURITY CREDENTIALS, PATALINET). NONE OF THIS PORTENDS WHAT MIGHT BE CALLED A "SECURITY CRACKDOWN," AS WE SEE IT. RATHER, WE THINK, IT SIGNALS BATTLE STATIONS FOR A SERIOUS AND LONG-TERM CAMPAIGN TO MODERNIZE ROMANIA'S ECONOMIC MANAGEMENT SYSTEM, IN FULL

AWARENESS--FULLY CONFIRMED BY EXPERIENCE OF OTHER COMMUNIST
COUNTRIES--THAT MODERNIZATION OF THIS KIND INEVITABLY PRODUCES
SERIOUS TENSION (SOCIAL AND POLITICAL AS WELL AS ECONOMIC),
AND CAN BE IMPLEMENTED SUCCESSFULLY ONLY IF IT IS CAREFULLY
CONTROLLED.

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Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3392037
Secure: OPEN
Status: NATIVE
Subject: MAJOR GOVERNMENTAL CHANGES: ANALYSIS
TAGS: ECON, EEWT, PGOV, RO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5908d9ca-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014